

How Ownhome works

Ownhome is provided by a partnership between Places for People and The Co-operative Bank. Ownhome is part-funded by the government, and is designed to help people who cannot currently afford to purchase suitable accommodation, make their first step onto the property ladder.

Ownhome consists of two parts: an Ownhome loan from Places for People and a mortgage from The Co-operative Bank.

Places for People could lend you between 20 and 40% of the value of your new home – with no interest payments for the first five years.



The Co-operative Bank could offer you a choice of repayment mortgages from their award winning range on the remainder.



For example - this means that if you qualify for a mortgage of £120,000, you could buy a property worth up to £200,000.

How the funding works

Ownhome loan from Places for People

Places for People could lend you between 20 and 40% of the value of your property, up to a maximum of £165,000.

There are no interest payments on the Ownhome loan for the first five years.

After five years you would be charged a fixed rate of 1.75% interest on your Ownhome loan each year. After a further five years this would increase to a fixed rate of 3.75% p.a.

The Ownhome loan is an equity loan – which means it is a percentage of the value of your property. So the amount you owe increases or decreases with the rise or fall in the value of your home. The greater the increase in the value of your home, the more you will have to pay back.

You can repay all or part of the loan at any time, subject to conditions described in the Questions and Answers section. The amount you pay will be calculated on the value of your home at the time of repayment.

For example, if Places for People lend you 25% of the value of a house which you bought for £100,000, you have borrowed £25,000 as an equity loan. However, when you repay us, if the house is worth £120,000, you will need to pay us £30,000 to cover our 25% share.

The Ownhome loan will be offered to people who pass the eligibility criteria outlined on the opposite page, and are able to get a mortgage from The Co-operative Bank.

Funds are restricted, and Ownhome loans are subject to availability.

The Ownhome loan is only available to people who live in England, and is secured on your property.

You must read and accept the full terms and conditions relating to the Places for People loan that you will be sent upon a successful application.

Mortgage from The Co-operative Bank

If you qualify for the Ownhome loan, you can choose from the range of simple and flexible mortgages available from The Co-operative Bank. There are no additional premiums, fees or charges for being an Ownhome customer.

You can choose between a fixed, discount or tracker mortgage that best suits your circumstances, on a repayment basis for up to 25 years. When your mortgage deal ends you will be able to choose another mortgage with The Co-operative Bank or (subject to approval by Places for People) move your mortgage to another lender.

All mortgages are subject to status and affordability.

For further information on the range of mortgages available from The Co-operative Bank please refer to the brochure enclosed, or visit

www.co-operativebank.co.uk/mortgages

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE AND ANY OTHER LOANS SECURED ON IT.

Who can apply?

Ownhome is designed to help people who can't afford to buy a suitable home. The following questions are for general guidance:

Are you?

✓ **A key worker (see list of key workers overleaf)**

or

Renting social housing (or in priority need on a social housing list)

or

A first-time buyer

✓ **Is your household income less than £60,000 each year?**

If you can answer **YES** to **BOTH** questions you are likely to qualify for a Places for People loan; you can contact us on: **0845 607 0110**.

If you can't answer yes to both questions, but are still unable to afford to buy a suitable home, you should contact your local HomeBuy agent. For more details visit the Housing Corporation website **www.housingcorp.gov.uk** or call their enquiry line on **0845 230 7000**.

Your local HomeBuy agent will establish if you qualify for a HomeBuy product under specific regional rules. If you do qualify, you will automatically be eligible for an Ownhome loan from People for Places.

If you don't qualify, your local HomeBuy agent will be able to offer you advice on any other help available to you.

Once you have qualified for an Ownhome loan from Places for People, you will need to qualify for a mortgage from The Co-operative Bank in order to be offered the Ownhome package.



Who is a key worker?

- Clinical staff employed by the NHS (excluding doctors and dentists)
- Teachers, including FE teachers and Early Years/nursery teachers
- Police Officers and Community Support Officers
- Uniformed staff in fire and rescue services
- Prison and probation service staff
- Social workers
- Therapists (e.g. occupational therapists)
- Educational psychologists
- Qualified nursery nurses
- Clinical staff employed by the Local Authority
- Local Authority planners
- Connexions Personal Advisors
- Armed Forces personnel and some civilian MoD personnel (clinical staff, MoD police officers and uniformed staff in the Fire and Defence Service).
- Highway Agency Traffic Officer Staff
- Local Authority Environmental Health Officers/Practitioners

Within each of these broad groups detailed criteria will be applied to determine eligibility. These will be discussed with you when you apply for an Ownhome loan.

Some regions have identified other jobs that also qualify as key workers. So, if your occupation is not listed it may be worth contacting your local HomeBuy agent to find out whether you qualify under local criteria.

For more details visit the Housing Corporation website www.housingcorp.gov.uk or call their enquiry line on **0845 230 7000**.



How to apply

If you think you may be eligible for an Ownhome loan please call Ownhome on

0845 607 0110

Monday - Friday 9am - 8pm, Saturday 9am - 2pm

Calls may be monitored or recorded for security and training purposes. Calls to 0845 numbers will cost no more than 4p per minute for BT customers. Call charges from other companies may vary and you may want to check this with your service provider.



We will write to you within three working days to confirm whether you are eligible and whether there are funds available in your area.

We will arrange a time to call you back and go through some questions with you to decide whether you are eligible for an Ownhome loan.



Once you have received your letter, contact The Co-operative Bank to apply for a mortgage Agreement In Principle. If successful, Places for People will confirm Ownhome loan funds are available in your area. You can search for your new home.



Once you have found a property, you will need to contact The Co-operative Bank to complete the standard mortgage approval process. This will include financial and affordability checks, and guidance through the whole process. If you are successful The Co-operative Bank will then make a mortgage offer on that property, and Places for People will re-confirm your Ownhome loan.

Questions and answers

Who are Places for People?

Places for People is one of the largest property management and development companies in the UK. We manage more than 59,000 homes, and have assets of £2.4 billion.

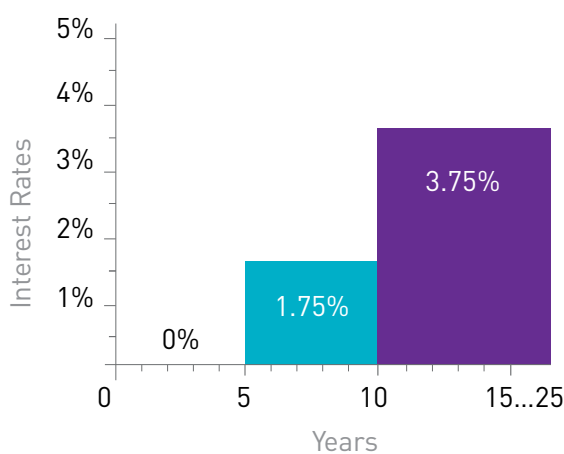
Our aim is to create places where people and their families can prosper, in a way that does not harm the environment. We do this by building new homes and improving existing neighbourhoods to very high environmental standards. We also offer care and support to individuals, affordable childcare, training, job opportunities and personal loans.

How does the Ownhome loan work?

Places for People could lend you between 20% and 40% of the value (equity) of your home for 25 years (or the term of your mortgage if shorter). You will not have to make any interest payments on the Ownhome loan for the first five years.

After five years you will be charged a fixed interest rate of 1.75% on your Ownhome loan each year. After a further five years your interest will be increased to a fixed rate of 3.75% for the rest of the Ownhome loan period.

This is interest only and no capital is repaid through these monthly payments to reduce the size of your Ownhome loan. The interest is charged on the original monetary value of the Ownhome loan, so if you originally borrow £25,000 you will pay interest on £25,000 regardless of how much the equity is worth in the future.



In years six to ten the interest payment is £17.50 each year for every £1,000 borrowed, or £1.46 each month.

From year eleven the interest payment is £37.50 each year for every £1,000 borrowed, or £3.13 each month.

After 25 years (or the term of your mortgage if sooner) you will have to repay the loan, calculated on the value of your home at the time of repayment.

Depending on the housing market over the coming 25 years, this amount could be less, but could also be substantially more, than we originally lent you. You will receive examples of how much you could end up paying and you will be sent annual statements.

What's in it for me?

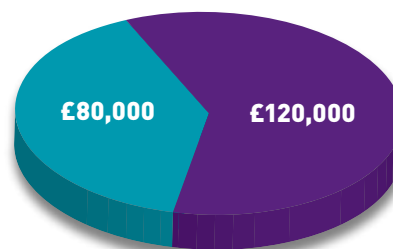
The Ownhome loan could enable you to own a home worth up to 40% more than you could afford with just a conventional mortgage. For example, you could buy a home worth £200,000 with a mortgage for only £120,000. In effect the Ownhome loan from Places for People tops up the amount you can borrow on The Co-operative Bank mortgage.

What other things should I consider?

The Ownhome loan is an equity loan, which means that it is tied to the value of your property. Over time the value of your home will increase (or decrease) and so will the amount that you will need to pay back.

How the property purchase is funded

For example if you have a 40% loan from Places for People on a house worth £200,000 you have borrowed £80,000.



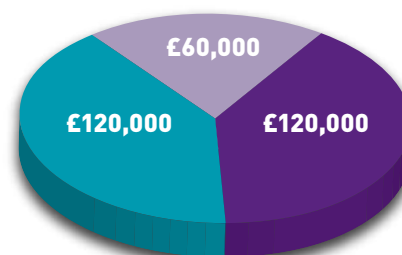
- 40% Ownhome loan = £80,000
- 60% mortgage = £120,000 (less any deposit paid)

Do I need a deposit?

You do not need a deposit, but you can pay one if you are able.

How the loans are repaid at sale

However, if when you sell your house it is worth £300,000 you will owe Places for People 40% of the value, which means that you will need to pay back £120,000.



- 40% Ownhome loan £120,000
- Mortgage £120,000 less amount repaid
- Increase in value kept by customer £60,000

THE GREATER THE INCREASE IN THE VALUE OF YOUR HOME, THE MORE YOU WILL HAVE TO PAY BACK.

When do I have to pay the Ownhome loan back?

You can pay back the Ownhome loan whenever you are able; there is no early redemption or payback charge. The full Ownhome loan will need to be paid back after 25 years (or the term of your mortgage if this is shorter) or if you sell your home. The amount you owe will be calculated on the value of your home at the time of repayment. You will have to pay for an independent valuation and any legal fees associated with the transaction.

• Early pay back

You can pay back in instalments of 5% of the value of the Ownhome loan. You will have to pay for an independent valuation and any legal fees associated with the transaction.

• Repayment within three years

If you repay us within the first three years, you will have to pay back the full Ownhome loan. If the market has fallen over the three years, you will have to pay back the original loan amount, rather than a percentage of market value at the time of payment. You will have to pay for an independent valuation, and any legal fees associated with the transaction.

• If you sell your home

You can move whenever you choose to. When you move you will have to repay the full Ownhome loan. The amount you owe Places for People will be calculated on the value of your home when you repay the loan. You will have to pay any legal fees associated with the transaction.

• After 25 years

The loan will have to be repaid in full after 25 years (or the term of your mortgage if sooner). The amount you have to pay will be calculated on the value of your home at the time of repayment. Depending on the housing market over the coming 25 years, this amount could be less, but could be more than you originally borrowed from Places for People. You will have to pay for an independent valuation and any legal fees associated with the transaction.

THE GREATER THE INCREASE IN THE VALUE OF YOUR HOME, THE MORE YOU WILL HAVE TO PAY BACK.

What sort of home can I buy?

Ownhome is designed to help people buy a suitable home. As everybody's needs are different, suitability will be assessed individually as part of the qualification process. You are not restricted to purpose-built affordable housing, but can choose any property on the market which is suitable for you and within your budget.

The property must be for entirely residential purposes and be your main home.

The property must be bought with vacant possession, and be immediately habitable. This means that there cannot be any tenants in the property, and it must be in a fit state to live in when you buy it.

Second-hand property must be freehold or have a lease of at least 55 years.

New properties must be freehold or have a lease of at least 99 years. If the property is still under construction the purchase price must be fixed and exchange of contracts must be achieved in six months.

Who owns the home?

This is not a shared ownership scheme. You will be buying 100% of your property, so there will be no landlord and no rent to pay. You will also be able to make any alterations that are permitted under planning and building regulations.

What happens if I can't afford to pay the interest on the Ownhome loan?

Places for People cannot give financial advice, however, before we make a loan we will make a full assessment of your ability to repay us. We will not make an offer unless we believe that it is affordable for you.

However, circumstances do change, and if you get into financial difficulty it is important that you contact Places for People immediately.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT.

It is likely that you will have to repay Places for People more than you borrowed, if that is the case the effect will be similar to a loan under which you pay credit charges at a rate dependent on the growth in house prices. In addition you will have to pay some fees and, after the first five years, some interest. For example if you pay legal and valuation fees of £300 interest of £7,000 and the value of the house increases by 4% a year, the sum that you will repay, if you sell your house after ten years, will be equivalent to borrowing under a loan with an APR of 4.71%. Credit will be granted subject to status.

What happens if I can't afford to pay back the loan after 25 years?

How much you will need to pay back in 25 years' time is dependent on the housing market. Nobody knows for sure what the market will do, but you may have to pay us substantially more than you originally borrowed.

THE GREATER THE INCREASE IN THE VALUE OF YOUR HOME, THE MORE YOU WILL HAVE TO PAY BACK.

You will need to have a repayment strategy, which Places for People will discuss with you when you apply for an Ownhome loan.

How do I know if the Ownhome loan is suitable for me?

Places for People cannot give you financial advice. If you feel you need further guidance we recommend that you seek financial advice from an Independent Financial Adviser. Your local HomeBuy Agent can give you details of Financial Advisers with a knowledge of equity loan products.

Who are The Co-operative Bank?

The Co-operative Bank, including **smile**, is part of Co-operative Financial Services, which in turn is part of The Co-operative, the UK's largest consumer co-operative.

The Co-operative Bank is the only UK high street bank with a customer-led Ethical Policy. We take a stand on issues such as climate change, the arms trade, human rights and animal testing.

By providing excellent service, competitive products and a choice of ways to access your accounts, we consistently prove that ethics and success can go hand in hand.

How does the mortgage fit within the Ownhome loan scheme?

Ownhome is a package delivered in partnership by Places for People and The Co-operative Bank. Once you have qualified for an Ownhome loan with Places for People, you can apply for a mortgage from The Co-operative Bank to cover the rest of the cost of your new home.

What sort of mortgage can I get?

If you qualify for the Ownhome loan, you can choose from a range of simple and flexible mortgages available from The Co-operative Bank.

You can choose between a fixed, discount or tracker mortgage that best suits your circumstances, on a repayment basis for up to 25 years.

There are no additional premiums, fees or charges for being an Ownhome customer.

All mortgages are subject to status and affordability.

What sort of valuation do I need?

You will need to get a full building survey. The Co-operative Bank will guide you through the complete mortgage process.

For further information on the range of mortgages available from The Co-operative Bank please refer to the brochure enclosed, or visit www.co-operativebank.co.uk/mortgages

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE OR ANY OTHER LOAN SECURED ON IT.